How councils work:
an improvement series for councillors and officers

Roles and working relationships: are you getting it right?

AUDIT SCOTLAND

The Accounts Commission

The Accounts Commission is a statutory, independent body which, through the audit process, assists local authorities in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources. The Commission has four main responsibilities:

• securing the external audit, including the audit of Best Value and Community Planning

• following up issues of concern identified through the audit, to ensure satisfactory resolutions

• carrying out national performance studies to improve economy, efficiency and effectiveness in local government

• issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Commission secures the audit of 32 councils and 44 joint boards and committees (including police and fire and rescue services).

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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About our 'how councils work' series

The Accounts Commission seeks to support improvement in best value and resource management, recognising these as two key components vital to the successful delivery of council services.

The purpose of this new 'how councils work' series of reports is to stimulate change and improve performance. We select topics based on the recurring themes and issues from our Best Value audit work, the work of local auditors and our annual overview report. We mainly draw on our existing audit work but supplement it with new audit work and other information.

What have auditors found?

These boxes appear throughout this report and represent case studies from individual councils. They have been drawn from Audit Scotland audit reports. They are not key findings for all councils.

Introduction
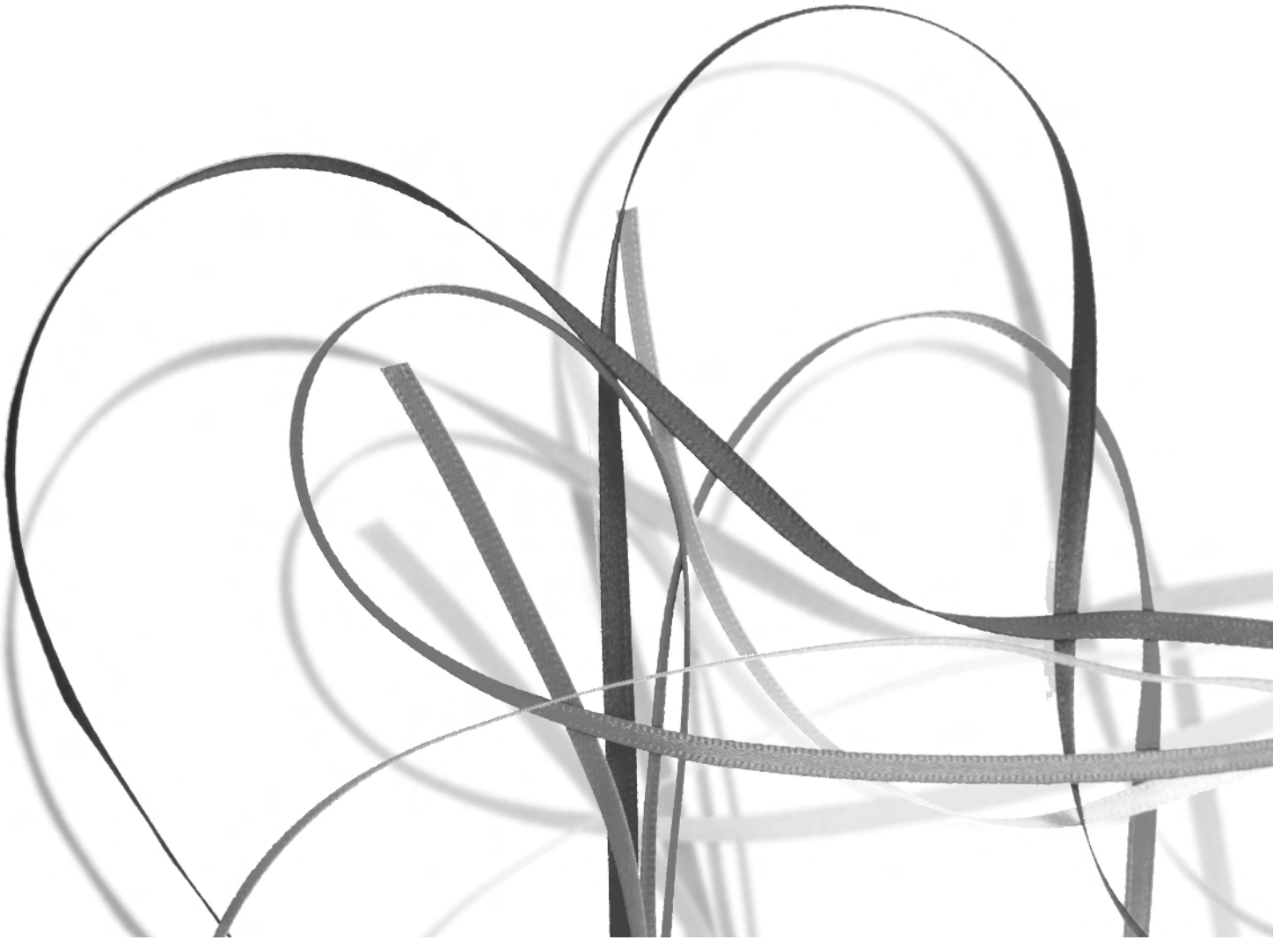
Keeping ahead of the game will depend on the ability of councillors and officers to work well together.

1. Clarity about governance arrangements, people's roles and responsibilities and good working relationships are central to the success of any organisation. Getting it right in councils has a significant bearing on how well they perform in delivering vital services for local people and communities, and in making sure public money is used wisely.

2. Councillors have a complex and demanding role: representing their constituents, providing direction and scrutinising service performance. They work in a political environment, which is an important and integral aspect of local government. Council officers give professional advice and are responsible for operational leadership and management. In theory, roles and responsibilities are clear-cut. In practice, it is not always easy – 'the distinction between policy and management seems clear enough on the broad view, but it is notoriously difficult to draw at the margin'.[1]

3. Working together, councillors and officers lead and manage their councils to provide services that improve the lives of local people. Trust, confidence and good conduct between councillors, and between councillors and officers, are essential for building and maintaining good relationships, and supporting good leadership, management and performance.

4. There have been high-profile issues concerning behaviour and conduct in some Scottish councils, but overall there has not been a widespread problem. However, councils operate within a continually evolving economic, social and political context. Keeping ahead of the game will depend on the ability of councillors and officers to provide leadership, to work well together and respect each other's roles.

5. Public finances are under significant pressure and as funding decreases and demand for services increases, councils face tough spending decisions. Councillors will face increasingly difficult choices in identifying priorities, making decisions and setting budgets, and this increases the risk of conflict. At the same time, they need to continue to engage with communities and maintain public confidence in their council.

6. In those councils where relationships are already strained, the financial pressures could make matters worse. Difficult financial decisions come at a time of heightened political activity, with local and national elections in the next two years. This may lead to increased political tensions between individual councillors and across political groups, making it more difficult to maintain good working relationships.

7. The local government landscape has changed substantially in recent years. Most councils are now run by political coalitions but there are also minority administrations, and in a small number of cases, one party has overall political control or the council is run by independents. Locally, there are now multi-member wards. All this has introduced challenging dimensions to roles, responsibilities and working relationships. The emphasis on partnership working and new ways of delivering services, for example through arm's-length and external organisations (ALEOs), means that the councillor and officer roles continue to evolve.

8. There have been changes at senior manager level too. New chief executives and senior officers have taken up posts in many councils. Most significantly, effective leadership relies on the political leader and chief executive working well together. Changes in leadership, whether through a new chief executive or new political leader, bring new working relationships for councillors and officers throughout the council and these need to be managed well.

About our report

9. We have looked at how well councillors and officers work together in local government and in particular:

- how well councillors and officers understand their respective roles and responsibilities

- how roles, responsibilities and relationships between councillors and officers contribute to achieving best value (improving services, better outcomes for local people and value for money)

- areas of improvement for councils to achieve better practice and performance.

10. We have drawn on our Best Value audit work in all 32 councils and other published audit reports. We have reviewed various council documents and have spoken to council officers and representatives from relevant national organisations. We have also interviewed a sample of 60 councillors from across six councils of varying size, geography (urban/rural) and political control.

11. This report highlights areas that work well and where improvement may be required. We expect it to stimulate discussion among councillors and officers that will lead to change and improvement.

12. The principles of good leadership and governance remain the same for all councils, regardless of size, geography and political control. The report aims to support all councils by signposting readers to sources of information and guidance, and by providing illustrative examples from our Best Value audits, including our recent BV2 pathfinder audits. We have also included tools and checklists that councillors and officers may find helpful (Appendices 1-4).

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1   *Moving Forward: Local Government and the Scottish Parliament – the report of the Commission of Local Government and the Scottish Parliament,* Scottish Office, 1999.

Part 1. Working together to achieve best value in councils

Better performing councils are characterised by good working relationships between councillors and officers.

Key messages

13. Councillors and officers are at the heart of local government policy and delivery and how they work together is fundamental to success. Good governance underpins those working relationships, which in turn provide a firm foundation for best value (Exhibit 1).

14. We first considered the impact of working relationships on best value, then looked at the underlying governance arrangements. Across the report our key messages are:

- Governance arrangements that are fit for purpose and up to date are critical in clarifying roles, responsibilities and expected behaviour.

- Statutory officers have a vital role in supporting good governance and decision-making.

- Councillors and officers generally understand their roles and responsibilities; but there can be difficulties in practice.

- Good working relationships are central to good performance.

- Councillors need to ensure they have the skills and tools to carry out their complex and evolving role.

Good working relationships are central to good performance

15. Our audit work shows the importance of good working relationships in leading and managing councils. Effective relationships help councils and their partners to deliver improved services and outcomes for local people, value for money and continuous improvement. Good working relationships are supported by sound governance arrangements that set out roles and responsibilities, and

Exhibit 1
Governance, working relationships and best value

Source: Audit Scotland
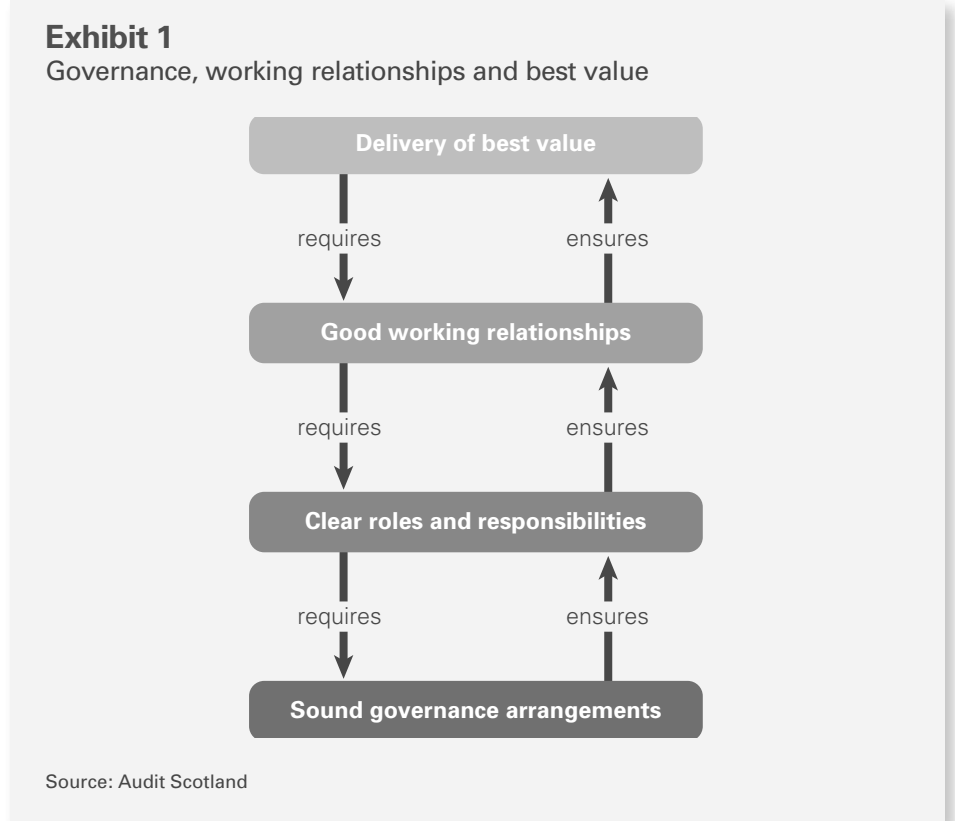
🔍 **What have auditors found?**

Political and managerial leadership is strong and elected members and senior officers have a good working relationship. The council leadership is committed and the senior management team and executive members provide a strong lead on organisational improvement... Elected members have a strong and active role in managing business through committees and member-officer forums. Political working tends to be constructive, and focuses on council business. The council's processes for governance and scrutiny are effective overall.

provide clarity about how the council will be managed and controlled.

16. Our first phase of Best Value audits covered all 32 councils and confirmed that better performing councils are characterised by good working relations between councillors and officers. In successful councils, councillors and senior managers share a strong public sector ethos and work well together to put their plans for the council area into action. Common features include clearly understood political and managerial structures, professional and constructive

relationships between councillors and between councillors and officers, a shared commitment to council priorities, and constructive debate at council and committee meetings.

17. In contrast, in many of those councils making least progress in best value, a lack of clarity about roles and responsibilities and poor working relationships were contributing factors. In the most serious cases, problems included heightened political tensions among councillors and a lack of trust and mutual respect among councillors and between councillors and

officers, which affected their ability to work together.

18. Politics is an integral and important part of local government decision-making and tensions are inevitable. But the best performing councils are able to identify when to set aside political differences and work on a constructive basis to support the work of the council, and to deliver outcomes for the community as a whole. In these councils, councillors from all political groups generally agree on the overall priorities for the area, with debate focusing on how best to deliver them.

Councils have taken action to improve

19. Our best value work identified that councils have taken actions to strengthen working relationships, including:

- establishing forums for councillors to come together and discuss training and development with officers, to help ensure that their needs are understood and that new training and development activities are relevant, interesting and well attended

- accessing external peer support to develop improved decision-making and working relationships

- learning from other councils by using business networks and observing practice

- providing regular updates on policy developments to councillors from all political parties to increase transparency

- setting out the roles and responsibilities of committees and committee chairs to help improve relationships with officers at committee meetings.

20. As a way of bringing councillors from different groups together, some councils have established cross-party forums. They can be an effective

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What have auditors found?

Councillor/officer and councillor/councillor relationships have been poor for several years. Relationships between councillors have been influenced by political difficulties and instability. Political tension has led to confrontation in the council chamber. Relationships between councillors and officers have not always been constructive or effective with some officers reporting incidences of bullying and inappropriate behaviour.

Roles and responsibilities are not always clear and while there is a clear commitment to the council by councillors and officers, leadership is not effective.

What have auditors found?

A cross-party forum has been used to support improvements in leadership and strategic direction and policy development activities. The chief executive meets with the council leader and other political group leaders individually and collectively through a cross-party leadership forum. Discussions cover current and forthcoming issues and priorities.

The forum is used to test new ideas and policies at an early stage before developing them into full proposals ahead of formal council meetings. This has led to a feeling of inclusiveness for all groups, by presenting the same information to political group leaders who are then responsible for communicating it to other councillors.

In this council, where there were weaknesses in leadership and direction and problems with the roles and relationships between councillors and officers during policy making, this forum has helped to bring about improvements.

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mechanism for strengthening working relationships and for helping to build a shared understanding of the strategic vision and priorities.

21. To promote good relationships between councillors and officers some councils have established joint working groups. Attended by both councillors and officers, these can be an effective mechanism for building a shared understanding of policy direction and expectations. They do not replace open, transparent council and committee meetings but provide an additional opportunity for debate and informal discussions. Councillors we spoke to have found them helpful for improving their knowledge and

understanding of priorities, roles and responsibilities. Establishing a clear remit for each working group is central to their success (Exhibit 2).

Councillors and officers generally understand their roles and responsibilities; but there can be difficulties in practice

22. A councillor's role is to represent constituents, to provide leadership and direction for the council and to scrutinise service performance. Council officers are responsible for operational leadership and management and for providing professional advice to support councillors in their role. In other

Exhibit 2
Working groups – getting it right

Working groups work well when:

- there is a clear purpose for the group
- there is a clear and shared remit
- there is representation by all political parties
- participants discuss policy options and delivery in an open and transparent way
- discussions are formally noted and notes are made available to all interested parties.

Working groups can help to:

- discuss and test policy options with councillors before developing formal proposals
- make officers more aware of the motivation and expectations of councillors
- provide councillors with an insight into the challenges of service delivery.

Source: Audit Scotland

words, on an issue-by-issue basis, councillors determine policy at the start, officers manage delivery of the policy in the middle and councillors scrutinise delivery at the end. Senior officers have key roles at the transition between these phases, supporting policy development and scrutiny by ensuring the right information is available at the right time.

23. Good governance requires that those involved in leadership, management and decision-making are clear about their own roles and responsibilities, and those of others. Training for councillors and officers, as well as tailored guidance, can help them understand roles and responsibilities.

24. Councillors and officers generally understand their respective roles and responsibilities well and are clear about the boundaries. The councillors we spoke to were confident in their own understanding of roles and responsibilities. However, they

> 💬 **What do councillors say?**
>
> "The councillor's job is to point at the horizon and it is the officer's job to get there."
>
> "It's not my job to be involved with the nuts and bolts. Officers deal with the detail and I deal with the policy."

highlighted that while the principles are easy to understand, putting them into practice can be difficult. For example, balancing priorities in their ward with their corporate responsibility for the whole council.

25. We found cases where councillors impinged on officers' roles by becoming involved in operational management. In the worst cases, councillors may try to use their position to influence service delivery decisions that are officers'

responsibility. Tension between councillors and officers often occurs when councillors seek to deal with individual issues relating to their ward or an individual constituent, without giving due consideration to the needs of the council as a whole. We also found examples where officers became too involved in defining the direction and plans for the council or did not take full account of councillors' views.

26. Difficulties can occur where there is lack of clarity about individual responsibilities, where councillors and officers lack experience and where councillors lack confidence to carry out the full responsibilities associated with their role. Training to improve understanding and awareness about roles and responsibilities, as well as activities to develop the confidence and skills of councillors and officers can help to support improvements.

Governance arrangements that are fit for purpose and up to date are critical in clarifying roles, responsibilities and expected behaviour

27. The way councillors and officers work together and engage with each other is critical to good performance. But it is not only what they do, but how they do it that is important.

28. Councils are responsible for ensuring councillors and officers are aware of and understand their respective roles and responsibilities, and what is expected of them in terms of conduct and working practice. Governance arrangements, which determine how councils manage and control their business, bring together legislative requirements, governance principles and management processes and provide the conditions for constructive working relationships.[2]

🔍 What have auditors found?

Elected members and senior officers are fully committed to delivering the agreed strategic direction of the council. However, this has been influenced more by senior officers than by elected members.

Effectiveness of relationships between officers and members has varied over the years and a commitment was made to invest in improving member/officer relationships and the effectiveness of political structures. The new structures have improved working relationships between members and officers, with senior elected members demonstrating a more active leadership role by becoming involved in new initiatives. But the respective roles and responsibilities of officers and elected members are not sufficiently clear.

The council has sought to address weaknesses in leadership capacity and lack of clarity about roles and responsibilities by implementing a Leadership Development Programme for senior staff. And training is being provided to members to assist them in their role.

🔍 What have auditors found?

The relationships between elected members and officers are not always effective. Our audit highlighted examples of intervention by elected members in service delivery which resulted in changes to priorities and allegations where elected members have, on occasion, used their influence to secure preferential treatment for constituents.

🖱 Want to know more?

- *The Good Governance Standard for Public Services* (Independent Commission on Good Governance in Public Services) http://www.cipfa.org.uk/pt/download/governance_standard.pdf

- *Delivering Good Governance in Local Government Framework* (CIPFA and SOLACE) http://www.cipfa.org.uk

- *Councillor induction pack* (Improvement Service) http://www.improvementservice.org.uk/library/download-document/965-2007-councillor-induction-pack-a-reference-handbook-for-new-and-returning-councillors/

- *Elected Members Development* (Improvement Service) http://www.improvementservice.org.uk/elected-members-development/

💬 What do councillors say?

"Councillors can be led rather than leading."

"Officers can make decisions which they say are 'management' – but which can cut across policies."

"There has been a big change in the relationships between councillors and officers. In the past councillors would go into the office and shout and bawl to get things done. This just cannot happen now. There is more respect between councillors and officers."

"More experienced councillors are more confident in their role and clearer about their relationships with officers."

29. Processes, systems and supporting documents do not guarantee good working relationships. But they do provide an essential framework and serve to remind people about what is expected, particularly when difficulties arise. In councils, this typically involves standing orders, schemes of delegation, codes of conduct, protocols and other governance statements. It is important that these documents are clear and easy to understand (Exhibit 3).

Local arrangements set out clear expectations about working practices
30. Good practice recommends that councils establish local codes of governance, which set out how a council meets the principles of good governance and which identify areas for improvement and regular review.[3] Twenty-eight councils have these in place.

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31. All councils have adopted the *Councillors' Code of Conduct* and its standard councillor/officer protocol, but almost half have developed this further and established a local protocol.[4] These typically cover a range of issues additional to those in the standard protocol, including how councillors and officers should raise complaints about each other and rules for councillors' involvement in different types of meeting.

32. The creation of multi-member wards following the 2007 council elections introduced shared representation of individual wards, and new ways of working. Before this, communities within a council ward area elected a single councillor to represent them. In 2007, ward boundaries were changed and three or four councillors were elected to represent the ward area. Each ward now represents a broader community within a larger geographical area.

33. Almost half of councils have developed and adopted a formal multi-member ward protocol to support councillors to work together. These typically contain guidelines on distributing ward activities among councillors, including attendance at meetings and dealing with queries from the public.

34. To date, there is no evidence that the absence of multi-member ward protocols has resulted in difficulties. But as councillors face tougher financial decisions, they will be under increasing pressure to secure the best outcomes for their ward and the whole council area. This may lead to tensions between these two aspects of their role as well as tensions with their ward colleagues. A multi-member ward protocol should help strengthen how councillors work together and minimise the risk of confusion or conflict.

Exhibit 3
Standing orders and schemes of delegation – what are they?

Standing orders: set out the rules for decision taking and define how a council conducts its business democratically. Standing orders typically contain details about committees and provide rules for meetings, order of business, rules of debate and formation of contracts.

Schemes of delegation/administration: itemise the functions that the council has asked the chief executive, directors and other staff to carry out on its behalf, and the conditions they must comply with in doing so. Schemes of delegation often contain detailed information and rules about planning decisions.

Source: Audit Scotland

What does it look like in practice?

A multi-member ward protocol has been put in place in one council to support new working arrangements. The purpose of the protocol was to:

- make sure there is equality of treatment of all councillors in a ward
- clarify procedures surrounding provision of information to all councillors and the sharing of information among councillors
- reduce duplication of effort
- clarify the role of officers in providing support.

A small group of councillors and officers worked together to develop this protocol. It was shared with other councillors at committee meetings and was formally approved.

Local arrangements contribute to maintaining good conduct
35. The *Councillors' Code of Conduct* (the Code) and councillor/officer protocols set out expected conduct.[5] But success in practice depends on the way councillors behave.

36. Where working relationships break down, for whatever reason, this has a significant impact on the culture, morale and performance of the council. Complaints and conflicts between councillors, and between councillors and officers, often stem from a combination of a lack of understanding about the Code, a lack of clarity about roles and responsibilities and political tensions.

37. Alleged breaches of the Code can result in a complaint to the Chief Investigating Officer. In 2008/09, 240 complaints against councillors were received and 35 (14 per cent) of these related to disrespect of employees or disrespect of councillors/officials. This had risen by 21 per cent from the previous year, and in a significant number, a fellow councillor initiated the complaint. This suggests that while councils have adopted the Code, and in some cases

4   *Councillors' Code of Conduct*, Standards Commission for Scotland, 2002 and 2007.
5   Ibid.

What have auditors found?

Relations between the administration and the opposition are not good. There are instances of discordant and antagonistic council meetings and standing orders are sometimes used in a way that inhibits open, transparent and inclusive democratic debate. While there is no evidence that this has had a direct bearing on the quality of services the council provides, it is difficult to see how councillors are meeting their obligations in the *Councillors' Code of Conduct*, particularly in relation to leadership and respect.

Exhibit 4
Breaches of the *Councillors' Code of Conduct*

In 2009, the Standards Commission held two hearings to decide on further action for two councillors alleged to be in breach of the *Councillors' Code of Conduct,* in respect of their behaviour towards council employees.

Their behaviour included being disrespectful, rude and intimidating towards employees, making comments that made employees believe their employment was threatened, publicly casting doubt on employees' professional competence and integrity, and trying to use their position to pressure employees into making particular recommendations.

In both cases, the Standards Commission upheld the complaints and found the councillors to be in breach of the Code. In recognition of the seriousness of the complaints, and the importance of maintaining high standards of conduct, the Commission used its powers to implement sanctions. One councillor was suspended from attending all meetings relating to their position as a councillor for nine months; the other was disqualified from nomination for election or election, as a councillor for 18 months.

Source: The Standards Commission for Scotland

developed local protocols, they may not always be used in practice.

38. The Chief Investigating Officer investigates complaints alleging to a breach of the Code and decides whether to report the outcome to the Standards Commission for Scotland. Where the Chief Investigating Officer concludes that the Code has been breached, the Standards Commission then decides whether to hold a hearing. In 2009, two hearings related

to councillors' behaviour towards officers[6] (Exhibit 4).

39. The Standards Commission recommends that councils establish local procedures for dealing with complaints and conflicts. By doing this, councils can aim to rectify problems quickly and locally, and protect the reputation of the council and individuals involved. Some councils have established local procedures for dealing with complaints.

Regular reviews ensure arrangements remain fit for purpose

40. To be effective, governance arrangements need to keep pace with the changing local government context. Good practice recommends an annual review and that a governance statement is included in the annual report and accounts.[7] Reviews of these arrangements through committee meetings help ensure wider ownership and promote understanding among councillors and officers.

41. The *Delivering Good Governance in Local Government Framework* sets out the main principles of good governance and recommends councils review their arrangements against these on a regular basis.[8] Seventeen councils have done this.

42. Standing orders and schemes of delegation set out the rules and guidelines for how a council conducts its business. They should be reviewed regularly to make sure they reflect current structures. Most councils have reviewed their standing orders and schemes of delegation since the council elections in 2007.

43. Councils' audit and scrutiny committees play a vital role in governance and it is important that these remain fit for purpose. Their effectiveness is enhanced by factors such as access to good quality and timely reports to all councillors; specialised training for councillors to assist them in their role; and chairing by opposition members.

Statutory officers have a vital role in supporting good governance and decision-making

44. Officers' roles and responsibilities are determined by departmental structures and individual job descriptions. Statutory officers have specific duties as set out in legislation and discharge this role as part of

6   *The Standards Commission for Scotland and the Chief Investigating Officer Annual Report and Accounts for 2008/09*, The Standards Commission, 2009.
7   *Code of practice on local authority accounting in the United Kingdom*, CIPFA, 2008.
8   *Delivering Good Governance in Local Government Framework*, CIPFA and SOLACE, 2007.

What does it look like in practice?

One council has developed a protocol that supplements the *Councillors' Code of Conduct* and includes procedures for dealing with any alleged breaches or complaints. These procedures do not affect the rights of officers or councillors in referring the matter to the Standards Commission for Scotland, but offer a local solution to resolving any issues.

The procedures set out in the protocol cover complaints from officers about councillors and complaints from councillors about other councillors. A two-stage process is set out. The first is informal and involves discussion with the chief executive and council leader, who will try to resolve the complaint or conflict. Where matters are not resolved, the second stage begins. This involves a formal complaint being raised with the chief executive and the council's standards committee using the council's formal complaints procedure.

In 2008/09, the council used the procedure to deal with around two-thirds of complaints and the remainder were referred to the Standards Commission for Scotland.

Want to know more?

- The Chief Investigating Officer and The Standards Commission
  http://www.standardscommissionscotland.org.uk/

- *Councillors' Code Of Conduct* (The Standards Commission)
  http://www.scotland.gov.uk/Publications/2002/04/14492/2559

- *Guidance and dispensations note for local authorities* (The Standards Commission)
  http://www.standardscommissionscotland.org.uk/guidance_note_local.html

their wider responsibilities within their council. They have an important, independent role in promoting and enforcing good governance and for making sure councils comply with legislation. There are four main statutory roles (Exhibit 5).

45. The head of paid service (the chief executive) is responsible for all aspects of the management of the council. Together with councillors, the head of paid service is responsible for promoting good governance by ensuring processes are in place, fit for purpose and up to date. The head of paid service works with senior colleagues to ensure that councillors receive good quality information and support to inform decision-making and scrutiny, and ensures other statutory officers have appropriate access and influence in carrying out their roles.

46. The relationship between the chief executive, the council leader and leaders of other political groups, is central to the success of the council. While the relationship between the chief executive and council leaders is important, the chief executive must be impartial and accessible to all councillors, to retain their trust and confidence. In light of this, it is essential that councils make the right choice in appointing the chief executive. Open and transparent recruitment and performance appraisal processes, which clearly set out expectations and effectively monitor performance, help to build councillors' (and officers') trust and confidence in the chief executive.

47. The chief social work officer, monitoring officer and chief financial officer have responsibilities to highlight where a council policy may break the law or break financial

regulations.[9] These officers must have direct and regular access to the chief executive, councillors and senior officers, and the local reporting and accountability arrangements should take account of this. The chief financial officer is particularly important in the current financial climate – this is covered in more detail later.

48. The monitoring officer has an important role in establishing and maintaining good working relationships. The monitoring officer usually prepares governance documents, including standing orders and schemes of delegation, and is often responsible for monitoring behaviour and conduct, and for raising any issues or concerns with the chief executive. The monitoring officer works with councillors and commonly provides guidance and support to help them fulfil their role.

49. The chief social work officer has a responsibility to highlight where a council policy may endanger lives or welfare and to ensure that councillors and officers are provided with professional advice in relation to social work and social care services. To do this effectively, the chief social work officer should have access to the chief executive and other senior managers, councillors and social work officers. The chief social work officer should be professionally qualified and should demonstrate professional leadership.[10]

Councillors' awareness and understanding about statutory roles varies

50. Councillors should be aware of and understand the statutory officer roles and responsibilities. Of the councillors we spoke to, half said they had a clear understanding of these roles and responsibilities but the other half said they were uncertain or did not understand them. Of those who had specific leadership responsibilities within their council, most felt they understood the statutory roles well. Overall, the councillors we spoke to demonstrated greater awareness and understanding about the role of the chief financial officer than the other three roles.

51. Council documents, such as the scheme of delegation or administration, should support awareness and understanding of statutory roles. However, while statutory officer posts are mentioned in these documents, descriptions are often limited to a definition of the roles according to legislation and do not provide a practical explanation of what the roles involve. Officers who hold statutory roles often have a more commonly used job title – for example, the chief financial officer is commonly called the director of finance. Council governance documents do not always clearly state which post holders have a statutory role, making it difficult for councillors to identify them clearly.

The statutory officer for finance has a key role in monitoring spending decisions

52. Councils face severe financial pressures because of decreasing income and increasing demand for services. The chief financial officer (also known as the section 95 officer) is fundamental to ensuring sound financial management and has an important role in establishing and maintaining internal financial controls and in providing professional advice to councillors on all aspects of the council's finances. In the current financial climate, this role is increasingly important. Access to decision-makers and influence at a senior management level is critical.

Want to know more?

- *The role of the chief financial officer in local government (CIPFA)*
  http://www.cipfa.org.uk/pt/download/role_of_CFO_in_LG_2010_WR.pdf

- *The role of the chief social work officer* (Scottish Government)
  http://www.scotland.gov.uk/Resource/Doc/300422/0093741.pdf

Professional associations:
- Chartered Institute of Public Finance and Accountancy (CIPFA)
  http://www.cipfa.org.uk
- Society of Local Authority Chief Executives (SOLACE)
  http://www.solace.org.uk
- Society of Local Authority Lawyers and Administrators in Scotland (SOLAR)
  http://www.solarscotland.org.uk
- Association of Directors of Social Work (ADSW)
  http://www.adsw.org.uk

What do councillors say?

"My understanding of a statutory officer is someone who would keep the council 'right' and make sure it is not operating 'against the rules' – for example, the monitoring officer would ensure the council doesn't make any illegal decisions."

"I understand the role of the chief financial officer is to advise on different options and their feasibility. They can tell you what you can't do."

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9   *The role of the chief financial officer in local government,* CIPFA, 2010.
10   *The role of chief social work officer*, Scottish Government, 2009.

53. The chief financial officer should be professionally qualified, report directly to the chief executive and be a member of the leadership team (which in practice usually means the corporate management team or equivalent).[11] Across the 32 councils, the make-up of the corporate management team varies, reflecting local structures and circumstances. The chief financial officer operates at director level in 21 councils and at head of service level in the other 11 councils.

54. There is a risk that where the chief financial officer is not a full member of the corporate management team, the statutory role is less visible and governance is weakened. But those chief financial officers we spoke to who are not full members of the corporate management team felt that this did not get in the way of their responsibilities, or diminish their influence and ability to discharge their role. They attend corporate management team meetings, have access to key documents and meet regularly with the chief executive – in most cases on a weekly basis.

55. In those cases where the chief financial officer is not a full member of the corporate management team, councillors must satisfy themselves that the chief financial officer has the necessary access and influence at the most senior level in the council, in order to discharge the statutory duties associated with the role.

56. Where alternative arrangements are in place, councils are expected to explain these and how they deliver the same impact, using an annual governance statement (usually included in the annual report).[12] To date, those councils where the chief financial officer is not a member of the corporate management team

have either not produced an annual governance statement, or have not used it to provide this explanation. This means that the councils concerned are not making the suitability of their arrangements clear to the public and interested parties.

Councillors need to ensure they have the skills and tools to carry out their complex and evolving role

57. A councillor's role is complex. They represent their constituents, and are expected to support their councils to improve, to demonstrate leadership, to ensure best value is delivered within the council, to hold the council to account and to make decisions about priorities and spending.[13] To support them in their role, they need to have access to good quality information and ensure that audit and scrutiny arrangements are effective.

58. The challenging financial position is likely to bring additional pressures for councillors in making difficult decisions about the allocation of resources within their councils and in meeting the demands of their constituents. It is essential that councillors support the Best Value review process and are open to considering all options for service delivery put before them. Decisions about service provision must be transparent and evidence based, with cost and quality factors taken into account.

> ### 💬 What do councillors say?
>
> *"We have to be even more cost conscious. We have to ask ourselves what we can actually do with the resources."*
>
> *"The council has not properly embraced best value as there are issues where it appears decisions are taken without fully considering the financial consequences."*

59. Councillors demonstrate awareness of best value, but ownership and understanding of it varies. Councillors we spoke to had mixed views about the level of priority given to best value – some felt it had always been a priority while others said it was a more recent one.

Councillors can make more use of available training and development opportunities
60. Training and development of councillors (and officers) helps to support their awareness and understanding about roles and responsibilities. The Scottish Local Authorities Remuneration Committee made recommendations for developing councillors' knowledge and skills and councils are continuing to work towards these.[14] The provision of training for councillors is

> ### 🔍 What have auditors found?
>
> The council has recently appointed a new chief financial officer (section 95 officer) responsible for the administration of its financial affairs. As this is not a director level appointment, the council should ensure that it has sufficient authority to undertake this statutory duty. This is particularly important given the need for the council to realise efficiencies to meet its budget commitments, and to implement strategic financial planning.

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11 *The role of the chief financial officer in local government,* CIPFA, 2010.
12 Ibid.
13 *Elected member leadership in Best Value: advisory note,* COSLA on behalf of the Best Value Taskforce, 2005.
14 *Review of Implementation of Remuneration Arrangements for Local Authority Councillors and Annual Review of Remuneration Levels,* Scottish Local Authorities Remuneration Committee, 2008.

increasing, and courses typically cover topics including the role of councillors on audit committees, leadership skills, strategic working and the role of councillors on Community Planning Partnerships.

61. Most councils are making good progress in carrying out training needs analyses and agreeing personal development plans.[15] Discussions with councillors help to tailor individual plans that meet their needs and secure better outcomes from training and development activities.

62. Our audit work found that most councillors feel well supported by officers and by training and development opportunities. Most of those we spoke to attended induction training when first elected. While some found it useful, others felt there was a lack of practical advice.

63. Councils regularly monitor attendance at training events and some carry out a review or evaluation

of the training provided. But councillor attendance at training events is variable. Common reasons for this include time pressures and a lack of recognition of the need for, and value of, training and development.

64. Councillors use a number of sources of information, advice and guidance. Support from officers or colleagues is most common and includes support to help councillors understand options analysis and to help them balance their ward and corporate role. Other sources of support include the internet, national guidance and support programmes such as the Improvement Service's Continuing Professional Development Pilot.

Councillors need better support to improve their understanding of their role on external bodies

65. Councillors (and officers) are often required to become board members on joint committees, joint boards, and arm's-length and external organisations (ALEOs). These can carry very different and specific responsibilities. Councillors (and officers) are expected to understand their roles and responsibilities both to the council and to the external body, so that good governance and accountability are maintained.

66. Councillors serving on external bodies have specific responsibilities associated with that role. For example, when serving as directors of an ALEO that is constituted as a company, councillors assume personal responsibilities under the Companies Acts. They should be aware of and understand this, and the implications and personal liabilities for them, as a company director, and for the council. The Accounts Commission/COSLA code of guidance recommends that

councils support councillors and officers involved with ALEOs and advise them of their responsibilities to the council and the company so that any conflicts between these roles are managed effectively.[16]

67. Most of those councillors that we spoke to who are appointed to an external body said they felt confident in their role, having gained confidence through experience or by drawing on support from council officers and other board members. Despite this confidence, councillors said they were on the board to represent the council and its best interests, which suggests they may not be clear about what the role fully involves, such as the responsibilities attached to being a trustee or a member of a company board. Those who did not feel confident in the role said they were unsure about what was expected of them when they were first appointed.

What do councillors say?

"A thorough induction – more so than any job I've had. It was very broad and covered the Code of Conduct, declaration of interests, and there were seminars from major departments."

"The best part of the induction was the explanation of how to get answers to problems. It is a big organisation and you need to know who to contact and the induction gave a start to finding this stuff out."

"It was too vague and would have benefited from more practical information such as how to book and set up surgeries or how to deal with specific problems."

What do councillors say?

"I am supported in this role by the council – at almost every meeting there is an officer who is relevant to an item on the agenda – so they also read the papers and offer comment and support."

"There was a training day provided by the organisation, where existing members took me round and showed me how it works."

"There was no training provided but this would be a way to overcome the lack of clarity I felt about the role during the first few meetings."

15   *Overview of local authority audits,* Accounts Commission, 2008.
16   *Code of guidance on funding external bodies and following the public pound,* Accounts Commission/COSLA, 1996.

68. More than half of the councillors that we spoke to had access to support and training from their council about their roles on external bodies. Around a third had received training from the external organisations they were involved with. Many would have welcomed more support, especially at the start of their involvement with the external board, although a small number felt they did not need this. Support is mostly provided through information and discussions with officers in advance of meetings. Some councils have also developed specific guidance for councillors serving on external boards.

What does it look like in practice?

One council has produced guidance for councillors who are involved with external organisations. The purpose of the guidance is to provide a reference point for councillors about their role and it explains what external bodies are and how appointments are made. It provides guidance for councillors for both before and after they have been appointed including:

- questions councillors should ask about the organisation

- information about conflicts of interest and how to declare these

- advice about meetings, support and training

- sources of further information.
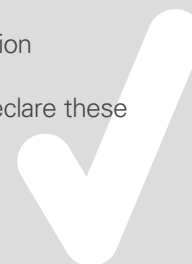
What have auditors found?

It was not evident that the council's elected member on the board had the appropriate skills or had received appropriate training to fulfil the role effectively.

Want to know more?

- The Improvement Service
  http://www.improvementservice.org.uk

- *Briefings* (Improvement Service)
  http://www.improvementservice.org.uk/library/589-elected-members-development/625-briefings/view-category/

- *Elected member leadership in Best Value advisory note* (COSLA)
  http://www.scotland.gov.uk/Publications/2005/01/20574/50660

- *Guidance and dispensations note to councillors and local authorities in Scotland* (The Standards Commission)
  http://www.standardscommissionscotland.org.uk/guidance_note_local.html

- *Guidance note to devolved public bodies in Scotland* (The Standards Commission)
  http://www.standardscommissionscotland.org.uk/guidance_note_devolved.html

- *Councillors' Code Of Conduct* (The Standards Commission)
  http://www.scotland.gov.uk/Publications/2002/04/14492/2559

- *Following the public pound* (Audit Scotland)
  http://www.audit-scotland.gov.uk/docs/local/2003/nr_040311_following_public_pound.pdf (2004)
  and
  http://www.audit-scotland.gov.uk/docs/local/2005/nr_051215_public_pound.pdf (2005).

What do councillors say?

"I'm there to represent the council – to take the line of the council – I'm not there in my own right."

"I am representing the council to make sure things are done in accordance with council policy and to make sure the money is spent as it should."

Part 2. Key points for action

There are a number of actions councillors and councils must take to strengthen working practices and working relationships.

The tables below outline key points for action for councillors and officers.

Supporting good working relationships

- Councils must:

  - regularly assess how well councillors and officers work together and identify any areas for improvement

  - consider introducing mechanisms to encourage greater communication between councillors and officers, and strengthen working relationships.

Improving awareness and understanding about roles and responsibilities

- Councils must:

  - ensure councillors and officers reflect on how well they understand the distinctions between their roles and responsibilities

  - ensure all newly elected councillors are provided with training and support to help them understand their roles and responsibilities

  - work with councillors to increase their awareness, understanding and use of governance procedures; and explain the purpose of key documents in supporting working practices.

Ensuring governance arrangements are fit for purpose and up to date

- Councils must:

  - review governance arrangements, including standing orders and schemes of delegation on a regular basis, to ensure these documents are relevant and fit for purpose; and communicate any changes to councillors and officers

  - review schemes of delegation to ensure they clearly establish and explain statutory officers' roles

  - consider developing a local councillor-officer protocol and multi-member ward protocol to support working practices

  - prepare an annual governance statement to increase transparency about governance arrangements, and to identify and communicate areas for improvement.

- Councillors must:

  - ensure they are aware of expected behaviour and conduct set out in the *Councillors' Code of Conduct* and make themselves familiar with the revised code when it is published later in 2010

  - satisfy themselves that the chief financial officer has the necessary access and influence to fully discharge the statutory responsibilities of the role.

Keeping up to date with a councillor's complex and evolving role

- Councils must:

  – provide guidance, training and advice to councillors serving on external boards and highlight the specific responsibilities attached to these roles

  – provide regular training and support to councillors to help them fulfil their roles

  – review induction training and consider introducing practical guidance to provide new councillors with a more detailed understanding of what their roles and responsibilities mean on a day-to-day basis.

- Councillors must:

  – communicate with officers and explain their training and development needs; and provide feedback on training courses to help ensure these meet their needs

  – make better use of training and development opportunities to help them fulfil their role.

Appendix 1.

A tool for checking progress

Understanding of roles and responsibilities influences good working relationships and performance	
Indicators that it is working well	**Indicators that it is not working well**
• A clear understanding of roles and responsibilities helps to promote respectful working relationships between councillors and officers. • Councillors and officers follow a local protocol that describes their distinct roles and how they should work together. • Councillors understand and are committed to their role, and provide debate and challenge at council and committee meetings. • Council governance documents are easy to understand and are reviewed regularly to make sure they are up to date. • There is a culture of trust and respect.	• The distinct roles of councillors and officers break down when there is poor understanding of where the boundaries lie. This undermines working relationships and weakens the ability of councillors and officers to lead and manage the council. • Relationships between councillors and officers are too close. Sometimes decisions are made without proper challenge or debate. • Governance documents are out of date and do not support good understanding of roles and responsibilities.

Behaviour and conduct influence good working relationships and performance	
Indicators that it is working well	**Indicators that it is not working well**
• Councillors and officers have a common goal to deliver outcomes that will make a difference to their local area. They show trust and respect in the way they work together to achieve this. • Councillors follow the principles of their Code of Conduct and treat their colleagues with respect. There are few complaints about their behaviour. • Councillors from different political parties show commitment to agreed priorities and work together to achieve them.	• Councillors and officers struggle to work together to achieve the council's priorities due to mistrust and lack of respect. • Councillor behaviour to officers and other councillors is poor and complaints have been made to the Standards Commission. • Unreasonable political tensions affect the way councillors behave towards each other, and make it difficult for them to work together. Decision-making and progress against local priorities are slow as a result.

The provision of guidance, information and support to councillors influences good working relationships and performance	
Indicators that it is working well	**Indicators that it is not working well**
• Councillors feel well supported by the training and guidance provided by officers. This helps them to fully understand and fulfil their role on the council and on external bodies. • Councillors recognise the importance and benefit of developing their knowledge and skills, and are committed to attending training events that officers arrange.	• Lack of knowledge and understanding means that councillors do not fulfil their roles on the council, or on external bodies. This is a risk to the council, external bodies and the councillors. • Poor uptake of training may mean that councillors are not up to date on matters of importance to the council, their ward and constituents.

Appendix 2.

Questions for councillors

Checklist to support good working relationships – councillors	Assessment	Required actions
Understanding of roles and responsibilities		
• How well do we understand our roles and responsibilities and those of officers? • How well do we understand the role of committees? • How effective are we in contributing to constructive debate and challenge at meetings? • How confident are we of our purpose and role when involved with external organisations? • How well do we understand the potential implications of activity on external organisations for the council and ourselves?		
Behaviour and conduct		
• Are our relationships with other councillors, and with officers, professional and constructive? • Is there a climate of trust and respect? • How well do we work together as councillors to deliver the best outcomes for our communities? • How well do we work with officers to deliver the best outcomes for our communities? • To what extent do we share information and engage with each other openly? • How well do we understand the importance of good working relationships? • How well do we understand the *Councillors' Code of Conduct*? And how well do we apply its principles?		

Checklist to support good working relationships – councillors	Assessment	Required actions
Guidance, information and support		
• How well are we supported in understanding and fulfilling our roles and responsibilities by: – protocols for councillor and officer relationships? – up-to-date and easy-to-understand governance documents? – information from officers about responsibilities on external bodies? – opportunities to develop our skills and knowledge? – access to officers? • How committed are we to developing our skills and knowledge by participating in relevant training opportunities? • Are we provided with the right information at the right time to support policy development and scrutiny?		

Appendix 3.

Questions for officers

Checklist to support good working relationships – officers	Assessment	Required actions
Understanding of roles and responsibilities		
• To what extent are our relationships with councillors professional and constructive? • How well do we work with councillors to deliver the best outcomes for our communities? • To what extent do we share information openly with councillors? • How well do we understand the importance of good working relationships? • How well do we understand our roles and responsibilities and those of councillors?		
Behaviour and conduct		
• How effective are we in ensuring that governance documents: – are up to date and easy to understand? – support understanding of councillor roles, senior and statutory officer roles and committee remits? • Is there a climate of trust and respect?		

Checklist to support good working relationships – officers	Assessment	Required actions
Guidance, information and support		
• How well do we support councillors to understand: – their role and responsibilities? – their role and responsibilities during activity on external bodies? – the role and responsibilities of officers, including statutory officers? – the role of committees? • How well do we support councillors to fulfil their roles and responsibilities by: – implementing protocols for councillor and officer relationships? – providing opportunities to develop their skills and knowledge? – providing the right information at the right time to support policy development and scrutiny? – allowing them access to us?		

Appendix 4.

Supporting awareness and understanding of statutory roles

Questions to help improve awareness and understanding of statutory roles	Assessment	Required actions
• Do governance documents clearly state: – what the roles and responsibilities of statutory officers are? – which officers fulfil the statutory roles, including any other job title they may use? – what circumstances may lead to an intervention by a statutory officer? – when councillors or committees may wish to consult with statutory officers?		
• Are the role and responsibilities of statutory officers clearly understood and valued throughout the organisation?		
• Are statutory officers invited to attend and participate in relevant meetings?		
• Are the views of statutory officers actively sought and considered?		
• Does the council's structure and culture empower statutory officers to intervene when necessary to ensure compliance with legal requirements, regulations and established processes?		
• Do statutory officers understand how to fulfil their role in the context of their organisation's arrangements?		
• Do statutory officers provide advice and direction where necessary to councillors and other senior officials?		

Roles and working relationships:
are you getting it right?

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www.audit-scotland.gov.uk

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